

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

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IN THE MATTER OF THE JOINT NOTICE AND
APPLICATION OF QWEST CORPORATION,
QWEST COMMUNICATIONS COMPANY, LLC,
QWEST LD CORP., EMBARQ
COMMUNICATIONS, INC. D/B/A
CENTURYLINK COMMUNICATIONS,
EMBARQ PAYPHONE SERVICES, INC. D/B/A
CENTURYLINK AND CENTURYTEL
SOLUTIONS, LLC, FOR APPROVAL OF THE
PROPOSED MERGER OF THEIR PARENT
CORPORATIONS, QWEST COMMUNICATIONS
INTERNATIONAL, INC., AND CENTURYTEL,
INC.

DOCKET NO. T-01051B-10-0194
DOCKET NO. T-02814B-10-0194
DOCKET NO. T-04190A-10-0194
DOCKET NO. T-20443A-10-0194
DOCKET NO. T-03555A-10-0194
DOCKET NO. T-03902A-10-0194

NOTICE OF FILING
COMPLIANCE TO SETTLEMENT
AGREEMENT CONDITION NO. 34

The attached report is being filed as required by Condition No. 34 of the Settlement Agreement among and between the Joint Applicants, the Commission Staff, and the Residential Utilities Consumer Office, approved and ordered by the Arizona Corporation Commission in Decision No. 72232.

Confidential information contained in the report was provided directly to the Commissioners, Staff, and RUCO, but has been redacted in the attached version.

1 RESPECTFULLY SUBMITTED, this 30th day of August, 2013.

2 QWEST CORPORATION d/b/a
3 CENTURYLINK

4 By: 

5 Norman G. Curtright
6 Associate General Counsel, Qwest
7 20 E. Thomas Rd., 16th Floor
8 Phoenix, Arizona 85012
9 Attorney for Qwest Corporation

8 ORIGINAL and thirteen (13) copies filed
9 this 30th day of August, 2013, with:

10 Docket Control
11 ARIZONA CORPORATION COMMISSION
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 Copy of the foregoing hand-delivered
15 this 30th day of August, 2013, to:

14 Belinda Martin, Administrative Law Judge
15 Hearing Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington Street
18 Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
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17 Steve Olea, Director
18 Utilities Division
19 ARIZONA CORPORATION COMMISSION
20 1200 West Washington Street
21 Phoenix, Arizona 85007

Daniel W. Pozefsky, Chief Counsel
Residential Utility Consumer Office
1110 W. Washington Street, Suite 220
Phoenix, Arizona 85007

20 Copy of the foregoing sent U.S. mail
21 this 30th day of August, 2013, to:

21 Michael Patten
22 Roshka DeWulf & Patten, PLC
23 One Arizona Center
24 400 E Van Buren St – 800
25 Phoenix, AZ 85004

Katherine Mudge
Director, Regulatory Affairs & Litigation
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Reed Peterson

CenturyLink Annual Merger Report

Merger Commitment 34

August 30, 2013

Introduction

According to the Settlement Agreement approved by the Commission on March 9, 2011 (Decision 72232; CenturyLink-Qwest Merger), the merged company agreed to the following condition, listed as Condition Number 34:

34. Within 60 days of the nearest calendar quarter after the annual anniversary date marking the close of the merger, and for two subsequent 12-month reporting periods, CenturyLink shall provide a report describing:
- a. Substantive activities undertaken relating to integrating Qwest operations with CenturyLink, as well as achieving synergies made available as a result of this transaction. CenturyLink synergies will be reported on a CenturyLink total company basis;
 - b. Costs and projected savings of each such respective activity on a CenturyLink total company and Arizona-allocated basis;
 - c. Organizational and staff force changes in Arizona operations;
 - d. Detail any cost savings that have resulted from the merger and have been passed on to consumers. The company can file its Arizona CAPEX and operating expenses to satisfy this condition;
 - e. Improvement in the Merged Company's complaint level in Arizona;
 - f. New services, including bundles available to customers;
 - g. Improvement in service quality measures;
 - h. Infrastructure improvements;
 - i. Expanded broadband coverage; and
 - j. Any other impacts on Arizona operations and customers.

Over two and a half years have now passed since the Merger was finalized. In this timeframe, CenturyLink has made significant progress integrating the two companies, and has achieved

significant synergies, as detailed below. In addition, CenturyLink has invested heavily in its Arizona network, providing upgraded broadband capabilities throughout its Arizona serving area. In fact, in 2012, CenturyLink met the five year broadband investment commitment specified in Merger Commitment 17. In this report and its confidential attachments, CenturyLink provides the information requested for each of the items in Merger Commitment 34, and describes the progress it has made since the merger was closed on April 1, 2011.

a. Substantive activities undertaken relating to integrating Qwest operations with CenturyLink, as well as achieving synergies made available as a result of this transaction.

Merger Condition 14 requires CenturyLink to provide, every six months, a report to Staff “showing integration plans describing the scheduling and scoping of major systems conversions that may impact Arizona customers . . .” Since the annual report filed a year ago, CenturyLink has filed two integration reports describing, in a qualitative manner, the integration activities it has pursued since the Merger closed. The two reports were filed on January 15, 2013 and July 15, 2013. These reports, provided as Attachments A and B, describe the “substantive activities undertaken relating to integrating Qwest operations with CenturyLink” as well as “achieving synergies.”

Merger Condition 34(a) also requires the company to report synergies on a CenturyLink total company basis. Please refer to the response to Condition 34(b) below, which provides this synergy data.

b. Costs and projected savings of each such respective activity on a CenturyLink total company and Arizona-allocated basis.

CenturyLink has made significant progress in the integration of the former Qwest operations with CenturyLink operations. As a result, CenturyLink has realized synergies since the merger was consummated and has also incurred costs to integrate the companies. Confidential Attachment C provides the level of estimated synergies achieved and integration costs incurred over the second year after the merger—April 1, 2012 through March 31, 2013—for the total company and for Arizona. The synergies are broken down by six functional/organizational areas. Confidential Attachment D provides estimated integration costs and synergy savings for the total company and Arizona over the same time period, but in this attachment synergies are identified by activity category (headcount and non-headcount), and integration costs are identified by type (including severance/retention/equity, branding, finance, information technology, Network and Other).

c. Organizational and staff force changes in Arizona operations.

Confidential Attachment E provides the quarterly number of CenturyLink employees located in Arizona for the first and second year after the merger was consummated, identified by

organization. This attachment shows that the number of Arizona employees has held steady in the second year after the merger closing. In fact, network and marketing (and total) headcount increased in 2013 as CenturyLink rolled out its PRISM TV service in the Phoenix area.

d. Detail any cost savings that have resulted from the merger and have been passed on to consumers. The company can file its Arizona CAPEX and operating expenses to satisfy this condition.

As described above, CenturyLink has realized significant ongoing synergies since the merger was consummated, but has also incurred significant integration costs in order to achieve those synergies. In addition, CenturyLink has continued to invest in its Arizona network, as described in the response for Merger Condition 34(h) below and in Confidential Attachment F. Overall, customers are realizing the benefits of the merger as CenturyLink achieves synergies and efficiencies, which enhance the company's ability to further invest in its network, implement process improvements and develop new services such as PRISM. In order to satisfy this merger condition, CenturyLink is providing Confidential Attachment F, which includes 2012 CenturyLink QC capital expenditures in Arizona, and Confidential Attachment G which includes 2012 CenturyLink QC Operating Expenses for Arizona.

e. Improvement in the Merged Company's complaint level in Arizona;

Confidential Attachment H shows the number of complaints for April 2010 through March 2011 (last year pre-merger) and for April 2012 through March 2013 (second year post-merger). In the second year after the Merger was completed, the number of complaints for CenturyLink in Arizona was 7% lower than the number of complaints for the twelve months prior to the merger. Overall complaints did increase slightly between the first post-merger year (April 2011 through March 2012) and second post-merger year (April 2012 through March 2013).

f. New services, including bundles available to customers.

The major new product offered by CenturyLink since the last annual report is the PRISM TV offering, which now provides video services to customers in the Phoenix area. This service is not a tariffed service offered by CenturyLinkQC, but is a deregulated service offered by another CenturyLink entity.

Attachment I contains a list of the new *tariffed* services that have been introduced by CenturyLink QC since April 1, 2011. The services introduced since the last report are shown below the solid line in the attachment.

g. Improvement in service quality measures.

For the second full year following the merger (April 2012 through March 2013), CenturyLink met or improved upon the pre-merger wholesale performance levels in Arizona. When compared to the pre-merger baseline year of 2010, CenturyLink improved response time to pre-

order queries, confirmed electronically submitted orders more quickly, met more installation appointments on time, reduced provisioning intervals, reduced troubles on new installations, had fewer trouble reports in proportion to total lines, improved mean time to repair, reduced repeat reports, and improved call center response times. The wholesale results for 2010 and the second year of the merger (April 1, 2012 through March 31, 2013) are included as Confidential Attachment J.

Retail service quality has stayed fairly consistent since the merger. Confidential Attachment K provides a comparison of key service quality metrics for 2010, 2011, 2012 and the first half of 2013.

h. Infrastructure improvements.

Between April 1, 2012 and March 31, 2013, CenturyLink invested heavily on network modernization (capital improvement) in Arizona. Please refer to Confidential Attachment L for a description of these improvements, including improvements in broadband facilities. Please also refer to Confidential Attachment M, which includes a presentation made to the Commission Staff on June 3, 2013. This presentation describes broadband investments CenturyLink has made in Arizona through 2012.

i. Expanded broadband coverage.

Please see the response to Part (h), which includes a description of the expansion of broadband coverage in CenturyLink QC's Arizona serving area.

j. Any other impacts on Arizona operations and customers.

CenturyLink believes that the overall impact of the merger on Arizona operations and customers has been very positive, as the data provided in this report demonstrates. CenturyLink has made significant infrastructure investments since the merger closing, including broadband investments that more than satisfied its merger commitment and the deployment of PRISM TV. Most service quality metrics have improved, and complaints to the Commission have declined. The company continues to achieve synergies as it integrates the two company operations in an efficient manner.

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

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APPLICATION OF QWEST CORPORATION,
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DOCKET NO. T-03555A-10-0194
DOCKET NO. T-03902A-10-0194**

**NOTICE OF FILING
COMPLIANCE TO SETTLEMENT
AGREEMENT CONDITION NO. 14**

CenturyLink hereby files notice that a report was provided to the Commissioners, Staff, and RUCO on January 15, 2013 as required by Condition No. 14 of the Settlement Agreement among and between the Joint Applicants, the Commission Staff, and the Residential Utilities Consumer Office, approved and ordered by the Arizona Corporation Commission in Decision No. 72232. The report included information addressing the following systems integration activities for the period of July 1, 2012 through December 31, 2012:

1. Billing and Customer Care – suspension of CRIS to Ensemble conversion;
2. Network Inventory Systems - Legacy CenturyLink transport network inventory to TIRKS conversion;
3. Workforce Management – Development of the “CTL Service” system, a new forecast, plan and load control module;

RESPECTFULLY SUBMITTED, this 15th day of January, 2013.

QWEST CORPORATION d/b/a
CENTURYLINK

By: Norman G. Curtright

Norman G. Curtright
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Attorney for Qwest Corporation

ORIGINAL and thirteen (13) copies filed
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1200 West Washington Street
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Belinda Martin, Administrative Law Judge
Hearing Division
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Janice Alward, Chief Counsel
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Residential Utilities Consumer Office
Pat Quinn - Director
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Reed Peterson



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Reed.Peterson@qwest.com

January 15, 2013

Honorable Bob Stump
Chairman, Arizona Corporation Commission

Gary Pierce
Commissioner, Arizona Corporation Commission

Brenda Burns
Commissioner, Arizona Corporation Commission

Bob Burns
Commissioner, Arizona Corporation Commission

Susan Bitter Smith
Commissioner, Arizona Corporation Commission

Re: CenturyLink-Qwest Merger – Docket Nos. T-01051B-10-0194, et al
Compliance Report in Connection With Merger Condition No. 14
Decision No. 72322

Dear Chairman Stump and Commissioners:

Enclosed please find CenturyLink's semi-annual report of system integration activities resulting from the Merger of Qwest Corporation and CenturyLink as approved by the Commission in the above referenced Docket.

Condition No. 14 of the Settlement Agreement between the Joint Applicants, Staff, and RUCO requires CenturyLink to provide a semi-annual report for a period of three years following completion of the merger. The report is to include integration plans describing the scheduling and scoping of major systems conversions that may impact Arizona customers including business office and trouble reporting call centers, maintenance systems that monitor central office and transport equipment, engineering systems, outside plant record systems, billing systems, and wholesale OSS.

Chairman Pierce
CenturyLink Merger Condition 14
January 15, 2013

Attachment A to this letter provides information on the following activities during the July through December 2012 timeframe.

1. Billing and Customer Care – suspension of CRIS to Ensemble conversion;
2. Network Inventory Systems - Legacy CenturyLink transport network inventory to TIRKS conversion;
3. Workforce Management – Development of the “CTL Service” system, a new forecast, plan and load control module;

We hope this information is helpful to you and the Staff as you analyze the benefits of the merger to CenturyLink’s Arizona customers. Please let me know if you have any questions or if there is anything in this report that you would like to discuss in greater detail.

Sincerely,

Reed Peterson

cc: Steve Olea – Utilities Director
Brian Bozzo – Compliance Manager

Pat Quinn
Director – RUCO
1110 W. Washington, Ste 220
Phoenix, AZ 85007

CenturyLink/Qwest Merger
Arizona Semi Annual Integration Status Report
January 15, 2013

Introduction

CenturyLink is pleased to provide the Arizona Corporation Commission ("Commission") with this semi-annual update regarding the progress of the integration of Qwest Corporation ("Qwest") and CenturyLink, pursuant to the Opinion and Order that was issued by the Commission in Docket No. T-01051B-10-0194 et al, entered on March 9, 2011.¹ Efforts towards the integration of the companies have continued since the previous report filed on July 13, 2012, as outlined below. Specifically, this report addresses substantive integration activities that have occurred in the past six months:

Substantive Integration Activities

CenturyLink's Integration Management Office is leading the analysis phase of Systems Integration for the Qwest merger. Pursuant to CenturyLink's disciplined system review process, additional system selection decisions were made during this reporting period regarding the integration or final disposition of customer facing Operational Support Systems ("OSS") and other substantive systems. A summary of integration activity completed since the last report is detailed below.

Billing and Customer Care: In the July 13, 2012 report, CenturyLink reported that the company had selected Ensemble, the legacy CenturyLink billing and customer care system, to replace the Customer Records and Information System ("CRIS") currently used by legacy Qwest, for billing and ancillary functions. However, after further review and analysis, CenturyLink has elected to suspend the planning and other efforts toward the conversion of CRIS to Ensemble. CenturyLink will continue to utilize both systems for billing and customer care pending any future decision regarding system integration.

Network Inventory Systems: As detailed in our last report, CenturyLink has initiated a multi-year local transport network inventory system transformation project. The initial phases of the project will result in the conversion of the physical network inventory (Layer 1²) for the legacy CenturyLink local network to the legacy Qwest Telcordia Trunk Integrated Record Keeping System (TIRKS) system.

In the time since the last report, CenturyLink has initiated the detailed planning process with the subject matter experts to determine business requirements, data migration strategies and identify linkages to other systems. The Layer 1 conversions to TIRKS for legacy CenturyLink areas are planned for a phased

¹ This report is in compliance with Condition 14 of the Settlement Agreement between the Joint Applicants, Utilities Division Staff, and the Residential Utility Consumer Office as approved by the Commission.

² Layer 1 refers to the physical transport network facilities and Layer 2 and above refers to the logical network that is derived from the physical network.

conversion by state between 2013 and 1Q2015. Legacy Qwest areas (including Arizona) are scheduled for conversion in 2015.

Workforce Management: As previously reported, the legacy CenturyLink workforce management system will be enhanced with a newly created forecast, plan and load control module, "CTL Service", that is similar to the existing legacy Qwest systems. Phase 1 of the project will entail the development of the new control module and is now anticipated to be completed in April 2013. Phase 2, planned for later in 2013, will integrate the new "CTL Service" module into the Legacy CenturyLink workforce management system.

In the time since the last report, work has continued on the development of the CTL Service module and the detailed planning process with the subject matter experts to determine business requirements, data migration strategies and linkages to other systems in preparation for the conversion.

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
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1. Network Inventory Systems - Legacy CenturyLink transport network inventory to Legacy Qwest TIRKS conversion;
2. Repair Ticketing Process for Designed Services - Legacy CenturyLink designed circuit repair ticketing systems to legacy Qwest systems conversion.

RESPECTFULLY SUBMITTED, this 15th day of July, 2013.

QWEST CORPORATION d/b/a
CENTURYLINK

By: _____

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July 15, 2013

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Brenda Burns
Commissioner, Arizona Corporation Commission

Bob Burns
Commissioner, Arizona Corporation Commission

Susan Bitter Smith
Commissioner, Arizona Corporation Commission

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Compliance Report in Connection With Merger Condition No. 14
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Dear Chairman Stump and Commissioners:

Enclosed please find CenturyLink's semi-annual report of system integration activities resulting from the Merger of Qwest Corporation and CenturyLink as approved by the Commission in the above referenced Docket.

Condition No. 14 of the Settlement Agreement between the Joint Applicants, Staff, and RUCO requires CenturyLink to provide a semi-annual report for a period of three years following completion of the merger. The report is to include integration plans describing the scheduling and scoping of major systems conversions that may impact Arizona customers including business office and trouble reporting call centers, maintenance systems that monitor central office and transport equipment, engineering systems, outside plant record systems, billing systems, and wholesale OSS.

Chairman Stump
CenturyLink Merger Condition 14
July 15, 2013

Attachment A to this letter provides information on the following activities during the January through June 2013 timeframe.

1. Network Inventory Systems - Legacy CenturyLink transport network inventory to Legacy Qwest TIRKS conversion;
2. Repair Ticketing Process for Designed Services - Legacy CenturyLink designed circuit repair ticketing systems to legacy Qwest systems conversion.

Sincerely,

cc: Steve Olea – Utilities Director
Brian Bozzo – Compliance Manager

Pat Quinn
Director – RUCO
1110 W. Washington, Ste 220
Phoenix, AZ 85007

CenturyLink/Qwest Merger
Arizona Semi Annual Integration Status Report

July 15, 2013

Introduction

CenturyLink is pleased to provide the Arizona Corporation Commission ("Commission") with this semi-annual update regarding the progress of the integration of Qwest Corporation ("Qwest") and CenturyLink, pursuant to the Opinion and Order that was issued by the Commission in Docket No. T-01051B-10-0194 et al, entered on March 9, 2011.¹ Efforts towards the integration of the companies have continued since the previous report filed on January 15, 2013, as outlined below. Specifically, this report addresses substantive integration activities that have occurred in the past six months:

Substantive Integration Activities

CenturyLink's Integration Management Office is leading the analysis phase of Systems Integration for the Qwest merger. Pursuant to CenturyLink's disciplined system review process, two additional system selection decisions were made during this reporting period regarding the integration or final disposition of customer facing Operational Support Systems ("OSS") and other substantive systems. A summary of integration activity completed since the last report is detailed below.

Network Inventory Systems: In the first half of 2013, the analysis, planning, and preparation for CenturyLink's previously announced network inventory consolidation project continued to progress, as the company focused on mapping and preparing the data in existing systems for conversion as well as preparing documentation and training materials. The initial phase of the transport network inventory systems conversion encompasses the replacement of the legacy CenturyLink inventory systems with the legacy Qwest TIRKS systems. The phased conversions will be conducted by state or groups of states and are currently scheduled to begin in 2014 and be completed in 2015. However, Arizona already operates using the legacy Qwest network inventory systems.

Repair Ticketing Process for Designed Services: As part of the conversion of the legacy CenturyLink transport network inventory systems to the legacy Qwest TIRKS system, in the first quarter of 2013, CenturyLink decided to replace the legacy CenturyLink designed circuit repair ticketing systems with the existing legacy Qwest systems. Designed circuits are dedicated transport circuits that are at a DSO or greater capacity. The CenturyLink repair ticketing graphical user interface (GUI) that is used by CenturyLink agents to create trouble tickets will be converting to the legacy Qwest WFA-C system. In addition, it was determined in the first quarter of 2013 that the legacy Qwest MTG systems will be used

¹ This report is in compliance with Condition 14 of the Settlement Agreement between the Joint Applicants, Utilities Division Staff, and the Residential Utility Consumer Office as approved by the Commission.

to electronically bond customer-initiated trouble tickets and will replace the existing legacy CenturyLink system. These conversions will follow the network inventory systems conversions for legacy CenturyLink areas that are planned for a phased conversion by state in 2014 and 2015. Arizona is not impacted in the same manner as other states because the company already utilizes the legacy Qwest network inventory systems throughout its Arizona operations.

CenturyLink
Estimated Synergies from CenturyLink / Qwest Merger
For the 12-month period – April 1, 2012 through March 31, 2013

Functional Area	Total Company	Arizona ¹
Corporate	REDACTED	
Region Markets		
Network Services		
Information Technology		
Wholesale Markets		
Long Distance		
Total All Functional Areas		

	Total Company	Arizona ¹
Integration Costs	REDACTED	

¹ Includes Arizona operations of Qwest Corporation

Total Company Arizona

Integration Costs

Severance/Retention/Equity
Finance (SAP integration, Real Estate, other)
IT
Network
Real Estate
Other

REDACTED

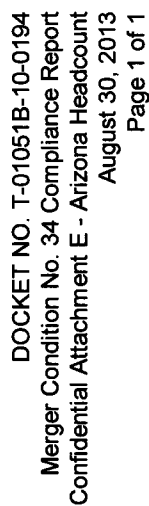
Synergies

Headcount

Non-Headcount:

Finance	Real Estate / Fleet
Finance	Consolidate Insurance Programs
Finance	Strategic Sourcing
IT	Contract Labor
IT	Maintenance
IT	OPS Consolidation
Network Services	Fixed Cost (Entrance + Loop)
Network Services	IP
Network Services	Maintenance
Network Services	CTL 8XX On-Net Conversion
RMG	Call Center
RMG	Cable Locate
RMG	Marketing and Advertising
RMG	Modem (CPE)
<i>Other</i>	

REDACTED



REDACTED

Confidential Attachment E - Arizona Headcount.xls
 Dispose and Distribute Solely to
 Confidential Merge Report Employees Having a Need to know
 *** CONFIDENTIAL ***
 Page 1 of 1

AZ Headcount
Source: SAP

CenturyLink QC Annual Capital Expenditures - Arizona 2012

	Amount
DSL Existing Market Expansion	REDACTED
DSL Growth	
Video	
SS7	
HSI Bandwidth Augmentation	
IP - Ethernet Core	
Marketable Revenue	
Marketable Revenue - FTTT	
National Market Revenue - BMG	
National Market Revenue - RMG	
National Market Revenue - Wholesale	
Network Plan - Access	
Network Plan - Switching	
Network Plan - Transport	
Network Reliability	
Real Estate	
Roadmoves	
Total CAPEx	<hr/>

CenturyLink QC Annual Expenses - Arizona 2012

Cost Of Services And Products

- Maintenance
- Engineering
- Network Operations
- Network Administration
- Access
- Provisioning
- Total Cost Of Serv And Prod

REDACTED

Selling, General & Administrative

- Customer Operations
- Corporate Operations
- Property And Other Operating Taxes
- Uncollectibles
- Total Selling, Gen, And Admin

Other Operating Income And Expense
Depreciation And Amortization

Total Oper Expenses

**Arizona Complaints
 Premerger and Second Year by Subject**

Subject	2010												2011												2012												2013			Second Year Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Pre- Merger Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar															
Alleged PIC/Cramming																																								
Annoyance calls																																								
Availability																																								
Billing																																								
Call Handling																																								
Commitment/Interval																																								
Equipment																																								
Held Order																																								
Installation																																								
Listings																																								
Miscellaneous																																								
Policy																																								
Repair																																								
Service Order Error																																								
Toll																																								
Treatment																																								
Wireless Feature																																								
Porting Issue																																								
Total																																								

REDACTED

**Arizona Complaints
 Premerger and Second Year by Collection Point**

Subject	2010												2011			2012												2013			Second Year Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Pre- Merger Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar						
FCC																															
PUC																															
Exec Ofc's																															
Cust. Adv																															
Correspondence																															
Better Business Bureau																															
Other																															
Email																															
Attorney General																															
Dept. of Public Services																															
Media Relations																															
Voice Mail																															
Total																															

REDACTED

REDACTED

CenturyLink QC - New Service Tariff Filings - Post Merger

Effective Date	Description	Tariff
7/5/11	Addition of New Equipment	QC Exchange and Network Services Catalog, Section 17.1
2/15/12	Add OTU2 Ports to GeoMax and Qwave	QC Private Line Price Cap Tariff, Section 5.2.18
4/26/12	Introduce ISDN PRS Bundle and Group 2 Rates	QC Exchange and Network Services Price Cap Tariff, Section 14.3.1
5/11/12	Introduce Core Connect Professional	QC Exchange and Network Services Price Cap Tariff, Section 5.11.2
5/23/12	Introduce Protected Ports & Name Change Qwave to OWS	QC Private Line Price Cap Tariff, Section 5.2.18
11/17/2012	Introduce new MOE Rate Elements	QC Competitive Advanced Communications Services Price Cap Tariff, Section 10.1.2
12/12/2012	Add OTU2E (End to End) to GeoMax & OWS	QC Competitive Private Line Transport Services Price Cap Tariff, Section 5.2.18
1/31/2013	Add Unprotected Dual Ports to GeoMax OTU2 & OTU2E	QC Competitive Private Line Transport Services Price Cap Tariff, Section 5.2.18

FCC Docket No. 10-110 Order 11-47
Section IV.B - Commitments Regarding Wholesale Operations
Arizona Commitment 34 -- Improvement in Service Quality Metrics

DOCKET NO. T-010518-10-0194
 Merger Condition No. 34 Compliance Report
 Confidential Attachment J -- Wholesale Service Quality
 August 30, 2013
 Page 1 of 1

FCC Merger Commitment					Comparison Threshold (CY 2010)	Post-merger year Apr-12 - Mar-13
Measurement Categories	Description	PID	*	Product Category		
Average response time to pre-order queries (in seconds)	The number of seconds from receipt of CLEC query to return of requested data.	PO-1A	↓	All		
		PO-1X	↓	All		
Percentage of electronically submitted resale and UNE orders	Percentage of electronically submitted resale and UNE orders confirmed within specified timeframes	PO-5B	↑	Resale UNE Specials		
Missed appointments / Appointments met	Percent of orders completed in the reporting period on or before the application due date.	OP-3	↑	Resale UNE Loop POTS		
Average provisioning delay days (in days)	Average number of business days service is delayed beyond Applicable Due Date for facility reasons.	OP-6B	↓	Resale UNE Loop POTS		
Provisioning - Percentage of installation troubles reported within 30 days	Percentage of inward line / circuit / trunk service orders that are free of repair trouble reports within 30 calendar days of installation completion.	OP-5A	↑	Resale UNE Loop POTS UNE Specials		
Repair/Maintenance - Network Trouble Report Rate (number per 100 lines or circuits in service)	Percentage of trouble reports to the total installed base of services or elements within a calendar month.	MR-8	↓	Resale UNE Loop POTS		
Repair/Maintenance - Mean Time to Repair (in hours and minutes)	Time from receipt of trouble to time trouble report is cleared divided by total number of trouble reports closed in reporting period.	MR-6	↓	Resale UNE Loop POTS		
Repair/Maintenance - Percentage of Repeat Reports within 30 Days	Percentage of repeated trouble reports received in 30 days of the initial report to the total number of trouble reports received in the period.	MR-7	↓	Resale UNE Loop POTS UNE Specials		
Carrier Service Center - Average Speed of Answer - Ordering	Timeliness of CLEC access to the Company's intercon-nection provisioning centers	OP-2	↑	All		
Carrier Service Center - Average Speed of Answer - Repair	Timeliness of CLEC access to the Company's intercon-nection repair centers.	MR-2	↑	All		

REDACTED

* ↑ = Higher is better
 ↓ = Lower is better
 ** Blank cells indicate little or no activity
 The comparison threshold is the base year performance plus or minus one standard deviation, as set forth in the FCC Order approving the merger.

CONFIDENTIAL DATA

CenturyLink Retail Service Quality - Arizona
Pre and Post-Merger

METRIC DESCRIPTION	2010		2011		2012		2013	
	Year End	July YTD	Year End	July YTD	Year End	July YTD	Year End	July YTD
OOS Cleared Within 24 Hrs Excluding Force Majeure								
Non-Designed Trouble Report Rate								
Non-Designed Installation within 5 Business Days								

REDACTED

Infrastructure Improvements – Arizona

Between April 1, 2012 and March 31, 2013, CenturyLink invested \$[REDACTED] on network modernization (capital) in Arizona. The following discussion outlines some of the major improvements to CenturyLink's Arizona infrastructure.

Broadband

In Merger Condition 17, CenturyLink committed to invest no less than \$70 million in its broadband infrastructure in Arizona over a five year period beginning January 1, 2011. As reported to the Commission Staff in a presentation in June, 2013, CenturyLink invested more than \$[REDACTED] million in 2011 and 2012. More than \$[REDACTED] was invested in broadband expansion during 2012 alone. Confidential Attachment M to this report includes the PowerPoint deck that was presented to Staff.

Between April 1, 2012 and March 31, 2013, CenturyLink expanded the availability of high-speed internet access service (see Attachment M) and deployed Fiber-to-the-Neighborhood (FTTN) at [REDACTED] new locations. CenturyLink extended fiber optic transport improving service availability for more than [REDACTED] living units. CenturyLink also upgraded [REDACTED] existing FTTN locations to VDSL2 technology which enabled broadband speeds of up to 40 megabit per second service for more than [REDACTED] customers. The following table reflects the expansion in speed and coverage since 4/1/2012:

AZ	20 Mbps	12 Mbps	7 Mbps	5 Mbps	3 Mbps	1.5 Mbps	256 Kbps
4/1/2012	REDACTED						
4/1/2013							
Change (basis points)							

Other Investments

CenturyLink introduced its Prism television service in Arizona in 2013. Prism TV was first made available to residents in Phoenix, Queen Creek, Chandler, Gilbert, Ahwatukee, San Tan Valley and Mesa, with further expansion in the valley throughout the remainder of 2013. Prism TV is delivered through CenturyLink's fiber optic network and offers advanced features that customers may be unable to obtain from coaxial cable or satellite-based providers.

To ensure that CenturyLink plant met the stringent transmission requirements for video service offerings and high speed data services, the company continued to conduct extensive loop testing and facilities rehabilitation. The expansive grooming project executed by CenturyLink's engineering and construction forces further benefitted service delivery across all customer segments.

In the second year following the merger, CenturyLink further improved service to wireless carriers (and their wireless customers) in Arizona by constructing more fiber optic transport (wireless backhaul)

facilities linking new and existing wireless towers to the wireline network throughout the state. This deployment of fiber optic transport allowed for the higher bandwidth necessary to support the exploding data requirements of smartphone users. This construction also allowed CenturyLink to provide new and improved bandwidth for previously under-served wireline customers seeking high-speed internet access along the same routes.

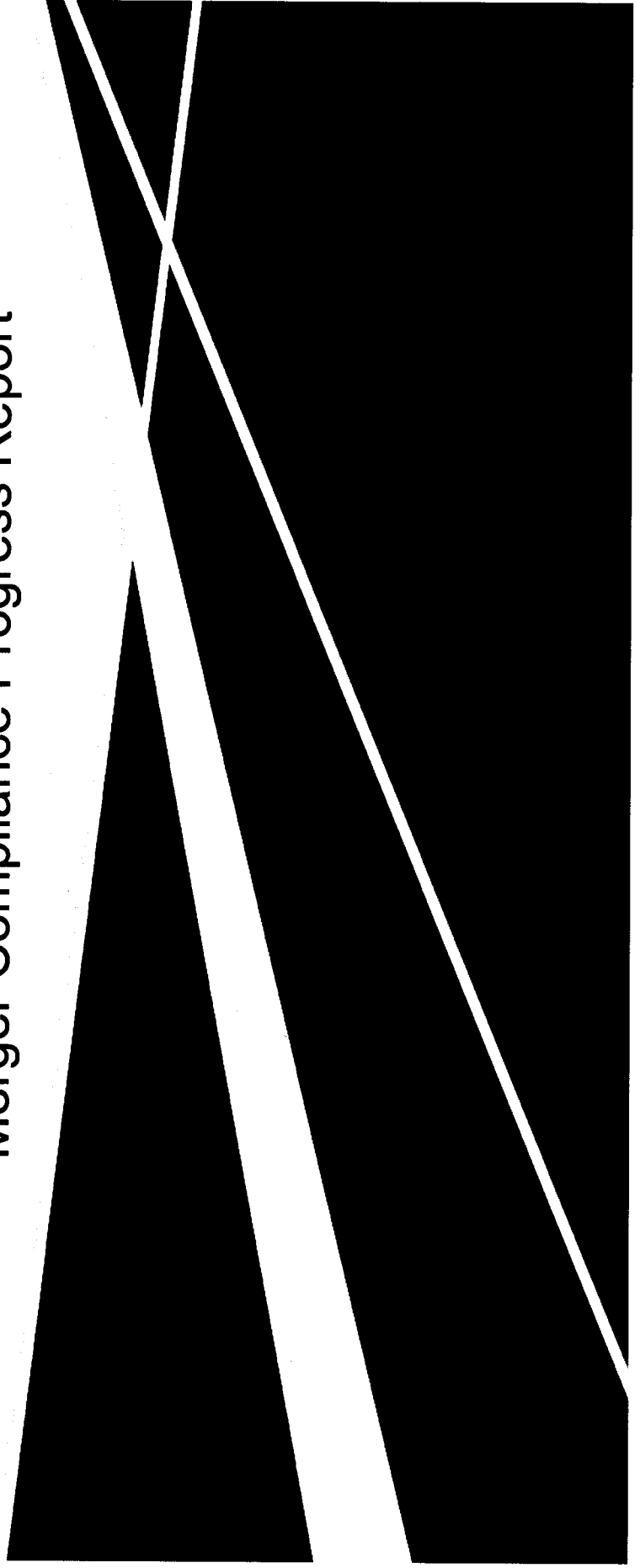
May 2013

DOCKET NO. T-01051B-10-0194
Merger Condition No. 34 Compliance Report
Confidential Attachment M- Arizona Broadband Expansion Report
August 30, 2013



CenturyLinkTM

Arizona Broadband Service Merger Compliance Progress Report



Goals and Results

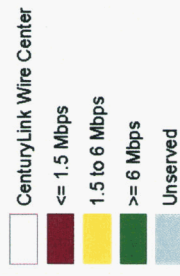
Qwest Corporation, or any successor entity, shall invest \$70 million in broadband infrastructure in Arizona over a five-year period beginning January 1, 2011.

REDACTED

CenturyLink has fully satisfied its merger-related objective.

REDACTED

REDACTED



REDACTED

Arizona Broadband Service and Speed Expansion – 2012

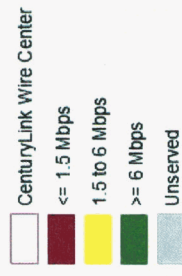
REDACTED

- CenturyLink Wire Center
- Speed Upgrade
- Broadband Expansion
- Upgrade and Expansion

Arizona Broadband Service Availability – 12/31/12

REDACTED

REDACTED



REDACTED

2012 Broadband Deployment Scorecard

REDACTED

The following advanced services were deployed or expanded in the most recent time period: High-Speed Internet, Bundles & Packages, PC Support & Security, Pure Service, Point-to-point transport, Ethernet-based services, and Internet Protocol-based services.



Availability and Investment

Arizona

% Availability 2012 vs. 2011

80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%

REDACTED

Unserviced
≤ 1.5 Mbps
> 1.5 - 6.0 Mbps
>= 6.0 Mbps
>= 20Mbps

Broadband Investment

140
120
100
80
60
40
20
0

REDACTED

Arizona Wire Centers with Speed Upgrades

REDACTED

* Indicates Unserved Living Units were reduced by 5% or more

2013 Forecast

REDACTED